

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 STR-04 EUR-12 AGRE-00

ITC-01 DODE-00 PM-05 H-01 L-03 NSC-05 PA-01

PRS-01 SS-15 /105 W

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P R 311031Z AUG 77

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC PRIORITY 5220

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PARAMARIBO

AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L SECTION 1 OF 2 GEORGETOWN 2059

E.O. 11652: GDS

TAGS: GY, EALB, PINT

SUBJECT: POLITICAL FACTORS IN GUYANA SUGAR STRIKE

REF: (A) GEORGETOWN 2013, (B) GEORGETOWN 1856

BEGIN SUMMARY: THE INDUSTRY-WIDE SUGAR STRIKE IN GUYANA
POSES, IN THE MIDST OF AN EXISTING ECONOMIC CRISIS, THE MOST
SERIOUS CHALLENGE TO PRIME MINISTER BURNHAM'S GOVERNMENT
THAT HAS BEEN MOUNTED IN YEARS. THE SUGAR INDUSTRY--GUYANA'S
MAJOR FOREIGN EXCHANGE EARNER--IS NEARLY PARALYZED WITH
18,000 SUGAR WORKERS ON STRIKE. THE REAL ISSUE BEHIND THE
STRIKE IS WHO WILL HOLD POLITICAL POWER--BURNHAM OR CHEDDI
JAGAN. THE LATTER'S CALL FOR A NATIONAL UNITY WAS REJECTED
BY BURNHAM PRIOR TO THE CALLING OF THE STRIKE. THE SOVIET
EMBASSY APPEARS TO HAVE BEEN MEDDLING IN THE MATTER BY
ADVISING JAGAN AND SUGGESTING THAT THE GOVERNMENT ACCEPT
JAGAN'S PROPOSALS FOR A NATIONAL FRONT. THE CUBANS,
ACCORDING TO BURNHAM AND WILLS HAVE BEEN HELPFUL TO
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THE GOG. THE EMASSY SUSPECTS THAT THE CUBANS AND THE
SOVIETS MAY BE PLAYING THE "GOOD GUY, BAD GUY" ROUTINE
WITH BURNHAM. END SUMMARY.

1. PRIME MINISTER BURNHAM AND HIS PEOPLE'S NATIONAL
CONGRESS (PNC) ARE FACING THEIR MOST SERIOUS CHALLENGE
IN RECENT YEARS IN THE FORM OF THE INDUSTRY-WIDE SUGAR

STRIKE LAUNCHED BY OPPOSITION LEADER CHEDDI JAGAN ON AUGUST 24 (REF A). THE GUYANA AGRICULTURAL WORKERS UNION (GAWU)--THE LABOR ARM OF JAGAN'S PEOPLE'S PROGRESSIVE PARTY (PPP)--HAS TAKEN 18,000 WORKERS OUT. APPROXIMATELY 3,000 CANE CUTTERS REMAIN AT WORK AND A HIGHER PROPORTION OF SUGAR MILL EMPLOYEES REMAIN AT THEIR JOBS. AS REPORTED PREVIOUSLY, THE ISSUE JAGAN HAS EXPLOITED IS A LONG SMOULDERING PROFIT-SHARING DISPUTE GOING BACK TO 1974 AND 1975 (REF. A). BUT GOG OFFICIALS PRIVATELY AND IN THE PRESS SAY THE REAL ISSUE IS WHO IS TO HOLD POLITICAL POWER IN GUYANA.

2. SINCE NEGOTIATIONS BETWEEN THE PPP AND THE RULING PEOPLE'S NATIONAL CONGRESS (PNC) FOR A NATIONAL FRONT GOVERNMENT ABORTED IN FEBRUARY OF THIS YEAR OVER THE PNC'S UNWILLINGNESS TO SHARE POWER ON TERMS JAGAN WOULD ACCEPT(I.E. EQUALLY DIVIDED POWER AND UNDER A REVISED CONSTITUTION APPROPRIATE FOR "SCIENTIFIC SOCIALISM"), THE PRESENT CONFRONTATION HAS BEEN BREWING. HE AUTUMN SUGAR CROP IS SORELY NEEDED BY THE GOG TO EARN BADLY NEEDED FOREIGN EXCHANGE FOR DEBT PAYMENTS. THE ECONOMIC CRISIS, INVOLVING UNEMPLOYMENT AND SHORTAGES OF FOOD AND OTHER BASIC CONSUMER ITEMS, HAD ALREADY GENERATED POLITICAL TENSIONS AND PROBLEMS FOR THE GOVERNMENT. THUS, THE STRIKE'S TIMING HAS CAUGHT BURNHAM AT A TIME WHEN HE IS MOST VULNERABLE TO ECONOMIC

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AND POLITICAL PRESSURES.

3. LONG TIME OBSERVERS OF JAGAN HAVE NOTICED DURING THE PAST YEAR AND ONE HALF THAT HE HAS NOT BEEN MAKING THE FOOLISH POLITICAL MISTAKES ATTRIBUTED TO HIM IN THE PAST. THEY CREDIT THE SOVIETS WITH GIVING HIM GOOD ADVICE. VALERY KOVAL OF THE SOVIET EMBASSY REPORTEDLY HAS BEEN THE AUTHOR AND/OR EDITOR OF PPP PRESS RELEASES AND OTHER DOCUMENTS. WHOEVER HAS BEEN GUIDING JAGAN, HIS TACTICS HAVE CAPITALIZED ON FLAWS IN BURNHAM'S PERSONALITY AND HIS VULNERABILITY TO ATTACKS FROM THE LEFT. THUS THE PPP NEWSPAPER "MIRROR" HAS STEADILY HAMMERED AT BURNHAM'S "PETTY BOURGEOIS" ORIENTATION AND HAS DENIGRATED HIS "REVOLUTIONARY" AND "SOCIALIST" CREDENTIALS. EACH SIGN OF IMPROVED GOG-US RELATIONS HAS PROMPTED OPPOSITION CHARGES TO A "SELL-OUT" OR KNUCKLING UNDER TO US IMPERIALISM. WHILE MAINTAINING THEIR LINK WITH JAGAN, THE SOVIETS HAVE COUNSELLED BURNHAM AND OTHER PNC LEADERS TO ACHIEVE NATIONAL UNITY BY FORMING A NATIONAL FRONT GOVERNMENT WITH JAGAN'S PPP AND TO ADOPT "SCIENTIFIC SOCIALISM."

4. THE LATEST PPP INITIATIVES BEGAN WITH A PRESS RELEASE TWO DAYS BEFORE THE OPENING OF THE PNC'S BIENNIAL CONGRESS, FOR A NATIONAL FRONT GOVERNMENT (REF. B). IT WAS AN OPEN APPEAL TO ALL "PROGRESSIVE" AND "SOCIALIST" FORCES IN THE PNC, THUS ENCOURAGING THE PNC'S LEFT WING TO EXERT PRESSURE ON BURNHAM SHOULD HE CHOSE NOT TO ACCEPT THE OFFER. THEN, WHEN IT WAS CLEAR THAT BURNHAM HAD REJECTED THE PPP INVITATION, JAGAN USED HIS HOLE CARD--A SUGAR STRIKE. GAWU'S 72-HOUR STRIKE ULTIMATUM WAS ISSUED THREE HOURS BEFORE BURNHAM WAS TO DELIVER HIS CONCLUDING SPEECH TO THE PNC CONGRESS ON AUGUST 20.

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5. IN HIS CONGRESS SPEECHES BURNHAM TOOK SEVERAL POTSHOTS AT THE SOVIETS, INCLUDING A STATEMENT THAT THE PNC WOULD NOT JOIN ANY INTERNATIONALE OF SOCIALIST PARTIES, HIS REMARK ABOUT "WELL-MEANING ADVISERS," HIS STRESS ON PRAGMATISM, AND HIS DISTINCTION BETWEEN COOPERATIVE SOCIALISM AS OPPOSED TO "SCIENTIFIC SICIALISM" ADVOCATED BY THE PPP AND THE SOVIETS. BUT ON THE QUESTION OF POWER SHARING AND A NATIONAL FRONT, THE SOVIETS REPORTEDLY HAVE REMAINED FIRMLY BEHIND JAGAN.

6. WILLS TOLD ME AUGUST 27 THAT CUBANS INITIALLY HAD SUCCEEDED IN CONVINCING CHEDDI JAGAN THAT A SUGAR STRIKE AT THIS TIME WOULD BE "UNSOCIALIST", BUT, SOVIET OFFICIALS

AND JANET JAGAN SUBSEQUENTLY HAD PERSUADED CHEDDI TO PROCEED WITH THE STRIKE. WILLS THEN COMMENTED THAT JAGAN WOULD HAVE BEEN "A DUNCE" HAD HE FOLLOWED THE CUBAN ADVICE BECAUSE IF JAGAN LOSES THE PRESENT POWER STRUGGLE HE WILL LOSE POLITICAL INFLUENCE. (THE PREMISE UNDERLYING IS THAT JAGAN WOULD BE CHEATED OUT OF AN ELECTION
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VICTORY NEXT YEAR; THEREFORE, HE WOULD HAVE TO ACT NOW TO TOPPLE THE GOVERNMENT OR FORCE IT TO MEET HIS TERMS.)

7. GAWU LEADERS MET AUGUST 27 AND ANNOUNCED THEIR DETERMINATION TO CONTINUE THE 5 DAY OLD STRIKE. ON AUGUST 30 THE GOG BEGAN USING PERSONNEL OF THE GUYANA DEFENSE FORCE, PEOPLE'S MILITIA, AND THE NATIONAL SERVICE AND ALSO HIRING PEOPLE OFF THE STREETS TO CUT CANE. THREE FIRES IN CANE FIELD AND CLASHES BETWEEN POLICE AND STRIKERS HAVE BEEN REPORTED. APPROXIMATELY 20 STRIKERS HAVE BEEN ARRESTED ON VARIOUS CHARGES INCLUDING UNLAWFUL OBSTRUCTION AND DISTURBING THE PEACE. MEANWHILE, THE OPPOSITION PRESS IS ATTACKING THE GOVERNMENT DAILY, AND BURNHAM IS USING THE PNC'S PARTY NEWSPAPER "NEW NATION" TO LAMBAST JAGAN. ILLUSTRATIVE IS THE FRONT PAGE OF THE "NEW NATION" OF AUGUST 28 WHICH BEARS HEADLINE "HENPECKED JAGAN FINDS HIMSELF IN THE LAST DITCH" AND SUBTITLES "PPP RESORTS TO ARSON, INTIMIDATION, VIOLENCE." THE ACCOMPANYING ARTICLE WAS A PERSONAL ATTACK ON "CHEDDI 'BRAGGART' JAGAN, DENTIST, POLITICAL MISLEADER AND IDEOLOGICAL SCHIZOPHRENIC." SUCH IS THE TONE OF THE PUBLIC EXCHANGES.

10. COMMENT: THE SITUATION FACING BURNHAM IS SERIOUS AND THE ATMOSPHERE IS TENSE. HE APPEARS READY TO USE FORCE TO BREAK THE STRIKE, SHOULD NEGOTIATION FAIL. IF BURNHAM WERE PRESSED TO THE WALL, HE MIGHT ACCEPT A COMPROMISE SOLUTION IN WHICH JAGAN AND HIS PPP WERE ABSORBED INTO THE GOVERNMENT PROVIDED THAT HE, BURNHAM, WERE ASSURED OF BEING THE DOMINANT LEADER. THIS IS THE ISSUE OVER WHICH PREVIOUS UNITY TALKS BROKE DOWN. COMPROMISE WITH JAGAN WOULD ENTAIL, IN OUR VIEW, INCREASED SOVIET INFLUENCE IN GUYANA. THEY NOW HAVE SOME INFLUENCE
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IN SECTORS OF THE PNC, AND STRENGTH IN THE PPP. ALTHOUGH BURNHAM AND WILLS APPEAR TO BELIEVE THAT THE CUBANS ARE HELPING THEM WITH JAGAN, WE SUSPECT THAT THE CUBANS AND

THE SOVIETS ARE PLAYING THE "GOOD GUY, BAD GUY" ROUTINE
WITH THE PNC LEADERS.
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Message Attributes

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